



Department of Energy
Washington, DC 20585

June 16, 1999

To Interested Parties:

On February 7, 1997, the Office of Worker and Community Transition released the ***Policy and Planning Guidance for Community Transition Activities***. Since that time, the community transition program has evolved further. The enclosed draft guidance document reflects these changes and will ultimately replace the current guidance. This draft document was first presented for comment during the 1999 National Stakeholder's Workshop in Chicago.

lease review and provide your comments on the enclosed ***Draft Policy and Planning Guidance for Community Transition Activities*** by Friday, July 30, 1999. If you have any questions concerning the draft document, please contact Deborah Swichkow at 202-586-0876 or e-mail her at deborah.swichkow@hq.doe.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bob DeGrasse".

Robert W. DeGrasse, Jr.
Director, Office of Worker
and Community Transition



Draft Policy and Planning Guidance for Community Transition Activities

U.S. Department of Energy

May 1999

Draft
Policy and Planning
Guidance for
Community Transition Activities

Office of Worker and Community Transition
U.S. Department of Energy

May 1999

DRAFT

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	PROGRAM SCOPE	1
	A. General	1
	B. Allowable Uses of Funding	2
	C. Eligibility and Funding Recipients	3
	D. Types of Assistance	4
	1. Start-up Assistance for CROs	4
	2. Planning Assistance for CROs	4
	3. Operational Assistance	5
	4. Community Transition Program and Project Assistance	6
	E. Funding Allocation by the Department	7
III.	ROLES AND RESPONSIBILITIES	7
	A. The Secretary of Energy	7
	B. The Director, Office of Worker and Community Transition	7
	C. Department Field Organizations	8
	D. Community Reuse Organizations	9
IV.	PROGRAM PLANNING	10
	A. General	10
	B. Development of the Community Transition Plan	10
	C. Department Field Organization and Office Reviews	11
	D. Office of Worker and Community Transition Review and Decisions	11
V.	EVALUATION CRITERIA FOR REVIEW OF PROJECTS AND PROGRAMS	13
VI.	COMMUNITY TRANSITION PLANS	13
	A. Purpose	13
	B. General	14
	C. Community Transition Plan Components	14
	1. Planning Analysis	14
	2. Stakeholder Involvement	15
	3. Prioritized Projects	15

DRAFT

VII.	PERFORMANCE MEASURES	17
A.	Purpose	17
B.	Guidance	17
C.	Model	18
D.	Areas to Address	19
VIII.	REVIEWS	21
A.	Financial Management Reviews	21
1.	General	21
2.	Purpose	21
3.	Procedures	21
B.	Program Reviews	22
APPENDICES		
A.	Office of Worker and Community Transition Contacts	A-1
B.	Community Transition Field Contacts	B-1
C.	Community Reuse Organization Contacts	C-1
E.	Listing of Defense Nuclear Facilities	D-1
E.	Quarterly Progress Report Format	E-1
F.	Requirement for Financial Assistance - 10 CFR Part 600	F-1

D R A F T

POLICY AND PLANNING GUIDANCE FOR COMMUNITY TRANSITION ACTIVITIES

I. INTRODUCTION

The end of the Cold War has reduced the country's need for the Department of Energy's (the Department) nuclear weapons production capacity. The Department is adjusting to this change by reconfiguring, downsizing, cleaning up, and closing many of its facilities. Since the Department realizes that these actions may adversely affect the communities nearby containing a substantial number of displaced workers, it will cooperate with the recognized representative of each community and execute economic development initiatives to help offset those impacts.

Initial program guidance for the community transition program was first developed in the spring and summer of 1993, shortly after the formation of the Department's Task Force on Worker and Community Transition. On February 7, 1997, the Office released the *Policy and Planning Guidance for Community Transition Activities*. In the intervening period the community transition program has continued to evolve. This guidance reflects the changes necessary for the continued progress of the program. It reflects the work and input of stakeholders as well as the staff of the Department's Office of Worker and Community Transition (the Office). It replaces previous guidance on community transition activities. The Office appreciates the assistance and effort of Department field organizations, site contractors, and representatives of the affected communities for their assistance in developing this guidance.

II. PROGRAM SCOPE

A. General

Pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993, the Department's community transition program is designed to minimize the social and economic impacts of work force restructuring at defense nuclear facilities by providing local impact assistance to affected communities, 42 U.S.C. 7274 h(c)(6). Specific assistance programs are designed by the communities and the local Department facilities affected by the downsizing. Over the past 5 years, the Department has employed an extensive process of stakeholder and public involvement to shape policies concerning worker and community transition. This process included national stakeholder meetings on July 12 - 13, 1993, on November 16 - 17, 1993, on February 3 - 4, 1994, on May 25 - 26, 1994, on November 15 - 16, 1994, on April 20 - 21, 1995, on September 13 - 15, 1995, on March 13 - 15, 1996, on April 9 - 11, 1997, and on June 17 - 18, 1998, as well

D R A F T

as specific input provided by nine community transition focus groups. It also responds to the recommendations made by the General Accounting Office in its December 1995 report to the Secretary of Energy, "Energy Downsizing: Criteria for Community Assistance Needed." Impact assistance is provided by funding Department field organization-approved proposals for activities of Community Reuse Organizations (CRO), Management and Operating contractors, and others.

B. Allowable Uses of Funding

1. Funds for community transition activities may be allocated for approved programs and projects described in community transition plans or in field project requests prepared by Department facilities for activities funded outside the community transition plans.
2. In reviewing proposals or applications, the broadest range of allowable uses of funds will be considered. However, because funding is limited, and because other appropriations may be seen as the proper or primary source to fund certain activities, various activities may only be approved where exceptional circumstances would justify the decision. These include:
 - a. activities that could be funded from work force restructuring funds, such as employee retraining;
 - b. landlord responsibilities normally funded by the program office with landlord responsibilities at the site, including preparing personal property for disposal; decontamination and decommissioning of land and facilities; maintenance (to the extent it is not passed on to the tenant); environmental baseline-facility condition reports; administrative activities such as appraisals, title searches and environmental assessments; and
 - c. off-site construction, infrastructure, or other capital improvement projects.
3. If funding for the type of projects described in Section II.B.2, above, is being considered, the Department field organization should make early contact with the Office to determine whether the project can be funded by appropriations and, if so, what justification will be necessary.

D R A F T

C. Eligibility and Funding Recipients

1. General

Community transition funds will generally flow through a Department field organization to the CRO or CRO-designee. For activities funded outside the community transition plan, funds may be made available by direct contract between the Department and another party, such as the on-site contractor. Financial assistance to CROs will be provided in accordance with the requirements applicable to grants or cooperative agreements that are in 10 CFR Part 600.

2. Definition of “Defense Nuclear Facilities”

Pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993, “defense nuclear facilities” for the purposes of community transition assistance include the following types of facilities under the control or jurisdiction of the Secretary of Energy: atomic energy defense facilities involving production or utilization of special nuclear material; nuclear waste storage or disposal facilities; testing and assembly facilities; and atomic weapons research facilities. Department facilities that have been determined to be defense nuclear facilities for the purposes of section 3161 are listed in Appendix B.

3. CRO Selection Criteria

The communities surrounding each site should be represented by a single CRO. The selection criteria applied by the Department field organizations in order to designate a CRO include, but are not limited to, the following:

- a. The organization should be formed for the purpose of addressing the economic impacts in the affected communities as a result of the changes in the work force at a defense nuclear facility. This could include existing organizations focused on local or regional economic development.
- b. The organization should solicit and accept participation by a reasonably representative cross section of public and private sector interests.
- c. The organization should have a reasonable process for soliciting public input into formulation of a Community Transition Plan and

DRAFT

any major amendments to such a Plan.

D. Types of Assistance

1. Start-up Assistance for CROs

- a. The Department field organizations should solicit applications for financial start-up assistance for CROs in a manner which provides for the maximum amount of competition feasible as set forth in 10 CFR Part 600.
- b. This is one-time assistance to support the initial functions of a CRO including: development of a public participation plan; development of work scopes for impact analyses and a community transition plan; and development of a proposal for planning assistance.
- c. Funding for start-up assistance usually does not exceed \$100,000 and may be spent over two fiscal years. It may be applied for at any time in the Department budget cycle, based on knowledge by the Department field organization that work force reductions are likely to occur within 18 months.
- d. Application for the assistance should include information about how area local governments, economic development organizations, labor, and other key stakeholders will be involved with creating the CRO. Award of start-up assistance does not commit the Department to funding future CRO activities and projects.

2. Planning Assistance for CROs

- a. Planning assistance for the CROs is intended to pay for administrative costs and planning studies associated with the development of a Community Transition Plan.
- b. Planning assistance is expected generally to be in the range of \$250,000 to \$500,000.
- c. A planning assistance application should include the following elements:
 - (1) The purpose and need for community transition.

D R A F T

- (2) A description of the CRO, including its membership, functions, scope, and decision-making procedures.
- (3) How the community transition plan will be developed. Where appropriate, an analysis of socio-economic strengths, weaknesses, opportunities and threats to the community should be included in the scope of work for the planning effort.
- (4) A program plan for utilization of the planning assistance funds, including proposed scope of work and milestones.
- (5) Required Federal grant application forms and financial information, as specified by the Department field organization.
- (6) A summary of the CRO-approved public participation plan which includes discussion of access to meetings and records, community involvement, fairness of opportunity for receipt of program benefits, and avoidance of conflicts of interest.
- (7) A discussion of CRO coordination with the applicable site, the Site Specific Advisory Board, and regional planning and economic development organizations and activities.
- (8) Identification of any non-Department resources that will be utilized in the planning phase of the program.
- (9) Any proposed program or project activities that are requested and proposed to be conducted prior to approval of the community transition plan together with the justification required for program and project assistance (see Sections II.D.4 and VI.C.3).
- (10) Written designation of the CRO by the responsible Department field organization.

3. Operational Assistance

- a. Funding for administrative expenses of the CRO beyond start-up

DRAFT

and planning assistance can be requested from the Department.

- b. Funding for this activity may vary based upon the CRO organization and the degree to which the CRO can be supported by other funding sources. It is suggested that requests normally be part of the Community Transition Plan and provide the appropriate information requested for program and project assistance in Section II.D.4 as well as a discussion of the steps the CRO is taking to become self-supporting and a timetable for when the CRO will be self-supporting.

4. Community Transition Program and Project Assistance

- a. The purpose of this assistance is to fund the activities deemed most likely to reduce the community's dependence on the Department and to mitigate the negative impacts on communities resulting from the downsizing of defense nuclear facilities. Project assistance typically will provide financial assistance for a comprehensive, multi-year community transition program--generally a 3 to 5-year program. The program should be based upon community needs and may incorporate an analysis of the socio-economic strengths, weaknesses, opportunities, and threats in the community transition plan. Components may include programs conducted directly by the CRO, contract services, and competitively-based financial assistance for economic development activities. Types of programs that may be funded include small business incubators, revolving loan funds, equity position, venture and risk capital funding, marketing of excess Department property, entrepreneurial development, technology transfer assistance, and applicable training seminars. Inclusion of these types of programs in a financial assistance award will generally require special provisions in the financial assistance instrument.
- b. In the past, program and project assistance has generally been in the range of \$400,000 to \$5 million per year at each site.
- c. The specific format for requests for program and project assistance will depend on the applicant. For CRO requested projects or programs, the request should be included in the community transition plan as described in Section VI. For funds to be managed by the site independent of the CRO, the site shall submit a letter

DRAFT

request to Headquarters signed by the Field Manager which contains information similar to that requested for prioritized projects submitted by the CRO, together with a letter from the CRO with the CRO's comments.

- d. The Lobbying Disclosure Act of 1995, Pub L 104-65, Dec. 19, 1995, as amended by Pub L 104-99, Jan. 26, 1996, prohibits the government from awarding financial assistance to non-profit organizations described in section 501 (c) (4) of the Internal Revenue Code of 1986 which engage in lobbying activities as defined by the Act. Therefore, such organizations are not eligible to receive awards of financial assistance.

- E. **Funding Allocation by the Department** is limited by its resources to fund community transition activities. Allocation is based on the relative needs of communities affected by work force restructuring.

Community needs will be evaluated based on the following criteria:

1. Economic distress measured by unemployment and loss of income.
2. Job loss relative to the size of the community affected as a measure of economic dependence on the Department.
3. Diversity of employment within a community and the impact of job loss on the economic base.
4. Overall size of the work force reduction.

III. ROLES AND RESPONSIBILITIES

- A. **The Secretary of Energy** is responsible for the overall program direction and has final approval of all community transition funding decisions above \$1 million.
- B. **The Director, Office of Worker and Community Transition** is responsible for the overall management of the community transition program, including the following:
 1. Authorizes actions, within approved funding levels, to mitigate impacts of reconfiguration, downsizing, and closing of Department facilities.

D R A F T

2. Establishes principles, policies, and procedures to implement the Department's community transition mission.
3. Develops the Department-wide community transition budget, recommends the Department field organization budget levels for community transition, and establishes the criteria to be used for community transition program funding levels at qualifying sites.
4. Determines allowable uses of Worker and Community Transition program funds within legislatively-mandated parameters.
5. Recommends, to the Secretary, approval or denial of requests for community transition assistance above \$1 million, after consultation with other Department elements as necessary.
6. Ensures coordination of the community transition plan with the work force restructuring plans at the site.
7. Provides liaison among other program and staff offices in Headquarters for community transition issues.
8. Conducts program reviews of field implementation of the community transition program.

C. Department Field Organizations are responsible for the day-to-day administration of the community transition program. This includes responsibility for the following:

1. Working within their communities to designate the local CRO in order to perform the roles and responsibilities as described in Section III. D.
2. Assuring that CRO's are entities formed for the purpose of addressing the economic impacts in the affected communities as a result of the changes in the work force at a defense nuclear facility. CROs may be local governments, corporations or affiliations of communities and interested stakeholders.
3. Soliciting financial assistance proposals for review and approval.
4. Approving the CRO for sites under their jurisdiction; assurance that all interested groups are afforded the opportunity to participate in the CRO.

D R A F T

5. Assuring that the provision in Appendix D concerning the standard of conduct requirements be included in each financial assistance award for economic development activities.
6. Assuring that the Department's community transition policies and guidance are carried out in a spirit of cooperation and openness.
7. Assuring that performance measures are developed by all grant recipients and that quarterly reports are provided to the Office.
8. Integrating the requirements of the community transition program with the requirements of other programs and activities at their sites and assuring that necessary support activities are identified and budgeted for.
9. Providing planning guidance to the CROs for program plans and reviewing and approving CRO-developed community transition plans.
10. Resolving conflicting proposed uses of the Department's assets under its jurisdiction.
11. Integrating community transition locally so that it incorporates the work and plans of the CRO with other community transition activities, if any, proposed by the site.
12. Consulting with American Indian tribal governments to assure that tribal rights and concerns are considered prior to the Department taking actions, making decisions or implementing programs that may affect tribes.
13. Publishing financial assistance award announcements publicly to allow maximum participation.
14. Assuring that there is no financial assistance or loan awarded to any non-profit organizations described in section 501 (c) (4) of the Internal Revenue Code of 1986 which engages in lobbying activities as defined in the Lobbying Disclosure Act of 1995, as amended.

D. Community Reuse Organizations serve to implement community transition activities. In this capacity the CRO will:

1. Coordinate local community transition planning efforts that address Department-related impacts.

D R A F T

2. Include a broad representation of the affected communities, with opportunity for involvement given to people and groups such as individual residents; representatives of community-based organizations; representatives of business, educational, and financial institutions; site workers and their labor organizations; local government officials; established economic and community development organizations; public interest groups; environmental groups; diversity groups; and federally-recognized American Indian Tribes.
3. Develop and submit community transition plans to the appropriate Department field organization.
4. Receive Department funding and participate in the management of community transition projects.
5. Coordinate CRO activities with Site Specific Advisory Boards (SSAB) at Department facilities, particularly with regard to future site planning.
6. Provide performance measures and quarterly report to the Field Organizations in a timely manner.

IV. PROGRAM PLANNING

A. General

Future funding for all activities other than start-up and planning assistance is expected to be requested through a community transition plan (or a letter request for Department field organization activities). Table 1 describes the activities expected to occur at each step. (The intent of this process is to provide objectivity in the selection of project and program activities to be supported.)

B. Development of the Community Transition Plan

Department field organizations should provide guidance to the CROs to assist them in developing a community transition plan. Based upon this guidance, the CROs should prepare a community transition plan for funding.

D R A F T

C. Department Field Organization and Office Reviews

Upon completion of the CRO community transition plan and any Department field organization projects, a field review of the community transition plan and an Office review of both the community transition plan and any site-sponsored projects should take place. The intent is for the Department field organization and the Office to jointly identify any needed revisions as soon as possible, thereby minimizing multiple requests for changes. At the end of the review period, the plan will be ready for submission (with a high probability of approval by the Office.)

D. Office of Worker and Community Transition, Department's of Commerce and Labor Review and Decisions

The Office will review the submitted plans and the independent review and approval from the Economic Development Administration of the Department of Commerce and the Department of Labor. Based upon these inputs, and the Office staff review, final funding levels for the fiscal year will be recommended. After Secretarial approval and appropriate notifications, funds will be transferred to the appropriate Department field organizations for implementation of the approved program.

Table 1
COMMUNITY TRANSITION FUNDING ACTIVITIES

Step	Activity
(1)	CRO solicits proposals from interested parties in communities affected by downsizing.
(2)	Proposals are received and evaluated by CRO board.
(3)	CRO develops Community Transition Plan (CTP) based upon planning guidance from the Department. If appropriate, local Department field organization develops project descriptions for any Department facility/activities to be requested from the Office.
(4)	CRO submits CTP to the Department field organization.
(5)	Department field organization conducts review of CTP and assists CRO in refining proposal.
(6)	Office assists development of the CTP and any projects from the Department field organization.

D R A F T

(7)	Department field organizations submit CTP and field project requests to the Office for review and approval.
(8)	Office submits CTP to Economic Development Administration (Dept. of Commerce) and any training proposals to the Department of Labor's Office of Retraining and Adjustment Programs for review and approval.
(9)	EDA/Dept. of Labor (DOL) submits its evaluation to the Office.
(10)	The Office, EDA/DOL discusses evaluation with CRO.
(11)	The Office makes funding award decision.
(12)	The Office authorizes release of funds into Department field organization financial plan.
(13)	Community transition funds are made available to recipients.

D R A F T

V. EVALUATION CRITERIA FOR REVIEW OF PROJECTS AND PROGRAMS

The following factors will be used to evaluate all project and program funding requests in community transition plans:

- A. Projected job creation (communities should seek to create at least one job for each \$10,000 to \$25,000 in Federal funding received, leveraging those funds to attract other private and public funds).
- B. Projected job creation for workers affected by downsizing.
- C. Viability of project to induce investment/growth in production of goods and services for which the community may have or be able to develop a comparative economic advantage.
- D. Ability to reduce the region's dependence on the Department.
- E. Consistency with the identified strengths of the region.
- F. Past performance of the applicant, if any.
- G. Amount of local participation in the project, either financially or in terms of coordinated services.
- H. Demonstrated cooperation with regional or state economic development efforts.
- I. Ability of project to become self-sufficient.
- J. Linkage of project to site cost reductions through transfer of site equipment, facilities or technologies.
- K. Other unique factors such as innovative features of the proposed project, such as matching funds.

VI. COMMUNITY TRANSITION PLANS

A. Purpose

- 1. The Community Transition Plan describes the overall strategies and, within each strategy, the actions proposed by the communities to respond to the changing missions at a Department facility. Where appropriate, it also

D R A F T

describes the proposed programs, projects and estimated funding requested from the Department. It is the overall framework and the rationale for the local response to the downsizing at the Department facility.

2. The plan serves an integrating function, building upon other existing community and facility planning efforts in the region. It should describe those efforts, the lessons learned from them, and should focus on the additional, supplemental efforts the community believes are necessary and useful to respond to the changes at the Department facility. It should not duplicate other planning efforts, but would afford the community an opportunity to highlight innovations to address the impacts of downsizing.

B. General

1. Initial planning grants from the Department should be used by CROs to prepare and submit to the Office a plan for anticipated community transition activities. This plan should be submitted through and be approved by the appropriate Department field organization.
2. While each community faces unique transition challenges and will develop a plan specific to its situation, there are common topical areas that should be addressed in all plans. These are elements to be addressed in the plan, not necessarily an outline of the developed plans. The continued allocation of the Department's limited financial and other available resources will be contingent upon the completion of the plan and its contents. Both short-term and long-term objectives may be included.

C. Community Transition Plan Components

1. Planning Analysis
 - a. An analysis should be performed to establish the primary and secondary community impacts likely as a result of planned site restructuring. From a baseline established from local information sources, project the likely impacts on such primary factors as net job loss, changes in unemployment, loss of wages and disposable income, and business closings. Secondary impacts could include such factors as decreases in taxes and other user fees, loss of business and sales volumes, decreases in property values and other factors. Impacts on education, cultural activities, recreation, the environment and other socio-economic factors should also be

DRAFT

considered. From an analysis of these impacts, develop a set of issues.

- b. A critical part of the community transition plan is the analysis of strengths, weaknesses, opportunities and threats (SWOT analysis) to the community. This can be performed with planning assistance funds, or existing studies can be used. With the SWOT analysis as a framework, set out an overall vision for the community and identify the programs and projects to be established, including the degree to which the programs and projects address the issues.

2. Stakeholder Involvement

Stakeholders should have the opportunity to participate in the planning process. Identify stakeholders providing input to the plan, describe method of input, and common areas of interest. A communication strategy should also be a component of insuring proper representation and community input into the planning and implementation process. This should also include CRO coordination with the applicable site and other groups, such as: any Site Specific Advisory Boards; regional planning and economic development organizations and activities; labor; the business community; academic communities; American Indian tribal governments; and state and local governments.

3. Prioritized Projects

Develop a list of prioritized projects or programs based on the above considerations with an overall project budget and schedule for completion of each. The following items are suggested topics for discussion for each project:

- a. The primary goal of transition initiatives is to offset the economic impacts of the Department's work force restructuring actions by creating employment through the retention, expansion, and creation of businesses, and through other measures. The plan should identify likely benefits to workers displaced by the Department and the area's work force in general.
- b. Amount, type, timing, and continuity of funding available from non-Department sources such as the U.S. Department of Labor's Job Training Partnership Act and the U.S. Department of Commerce's

DRAFT

Economic Development Administration. Also include any state and local funding, and any private development sources, such as venture capital, financial institutions, revenue bonds, seed capital, revolving loans and other private funds. The use of these funds should be set out relative to any Department funding provided.

- c. Coordination with other community programs.
- d. Performance measures for each project.
- e. A proposed scope of work, timeline, and reporting schedule (generally, quarterly) of proposed activities, accomplishments, and expenditures.
- f. Required Federal grant application forms and financial information, as specified by the Department field organization.
- g. Any anticipated preferences or non-traditional competition elements of the program, and their relationship to program objectives.
- h. A discussion of CRO coordination with units of Federal, state, local, or tribal governments. Demonstration that proposed projects will augment and not duplicate current community efforts.
- i. Plans, if any, to support CRO operating and program costs following completion of the project grant (e.g., self-sustaining mechanisms, local or non-Department support, revenue/income generation, future Department funding, or transfer of programs to other organizations).
- j. Identification of any time-sensitive opportunities, or other pertinent background information.
- k. If multi-year funding is anticipated, show how this year's increment related to prior-year activities and what will happen if future year funding is reduced or eliminated.

D R A F T

VII. PERFORMANCE MEASURES

A. Purpose

1. Performance measures represent a mechanism that the CROs and the Department can use to monitor performance. They do this by providing a means for: 1) determining how well a project is being executed; 2) indicating when corrective actions are required; and 3) documenting success.
2. Performance measures establish a mechanism for program assessment. It is suggested that the CROs use the results of their performance measures for self assessment purposes. The Department field organization and Headquarters staff should use the same results for purposes of external oversight.
3. Performance measures should be used to allow the Department to provide objective and defensible indications to the Congress and to the American people that the Department's economic development program is effective.
4. Finally, since the intent of performance measures is to evaluate program execution, performance measures need not be developed for start-up or planning assistance.

B. Guidance

1. The CROs are responsible for developing performance measures based on this guidance and on their unique circumstances, goals, and objectives. The final measures should be negotiated with the appropriate Department field organization and, ultimately, approved by the Office.
2. Many CROs may have similar objectives. The Office encourages, but does not require, developing consistent performance measures in such cases and also encourages sharing best-practices and lessons-learned to the maximum extent possible.
3. Performance measures should not focus on minor aspects of performance, rather, they should comprehensively measure critical aspects of performance for any enterprise.

DRAFT

4. Performance measures and objectives should not be so difficult that they cannot be achieved through a reasonable amount of effort, nor shall they be excessively easy to achieve.
5. Performance measures shall be periodically assessed by the CROs and the results reported to the Department field organization and the Office.
6. When a performance measure is no longer providing useful information, it should be eliminated or replaced.
7. Performance measures shall be measurable in a numerical fashion to the maximum extent possible. Where numeric measurement is not possible, performance measures shall be evaluated against a clearly defined set of criteria.
8. In cases where grant requests are small (i.e., less than \$300,000), a less stringent requirement for performance measures may apply.
9. On a quarterly basis, the CROs should submit a progress report to Department Headquarters via the appropriate Department field organization. The quarterly progress reports should contain, among other things, updated information on the CRO's performance measures. The progress report format may be found in Appendix E.

C. Model

Per the above guidance, the individual CROs should be tasked with developing performance measures for their particular enterprise. The Office recognizes that:

1. The various CROs will have different missions, objectives, and priorities; the CROs are best equipped to determine what constitutes a good measure of performance for their particular situation.
2. The CRO missions are dynamic, and, therefore, their objectives may change from time-to-time. As a consequence, what constitutes a good performance measure today may not be appropriate tomorrow; therefore, the CROs should be allowed the flexibility to alter their performance measures, with the Office's concurrence, to more closely align with changing missions and objectives.
3. The CROs should have latitude in regard to the substance and nature of

D R A F T

their performance measures. However, it is suggested that they follow generally recognized principles for developing and measuring performance. By employing a performance measurement system, the Department will be able to assess and describe the effectiveness of the program. This will assist in determining appropriate levels for the program in future years and will help each site and each CRO assess the effectiveness of its program.

D. Areas to Address

The following paragraphs delineate the types of issues that should be considered when developing a performance measurement program.

1. Job creation: the act of creating permanent, full time, private sector positions that are new to the community, especially jobs that will assist displaced workers from the affected site. Jobs must be at least 32 hours per week, and receive compensation of at least the state-accepted minimum wage. Temporary jobs, such as construction and consulting jobs are not considered in this category. Seasonal and part time jobs are not ordinarily converted to full-time equivalents and included in the calculations; however, DOE may count such jobs when they are viewed as integral to meeting community economic development objectives. These exceptions are determined on a case by case basis by consultation between the Office and the CRO. Communities should seek to create at least one job for each \$10,000 to \$25,000 in Federal funding received, leveraging those funds to attract other private and public funds.
2. Job retention: holding in place a full-time, permanent, private sector job that would have been eliminated or disrupted if not for the assistance provided by the CRO. The determination of a job retained is made by the CRO in consultation with the employer during which the CRO judges that it was the employer's intention to eliminate the job, relocate the facility, or enact other disruptions to individual or group employment. Job retention can result from a multitude of services provided. Examples include (but are not limited to): training programs that improve employees' skills; financial incentives that induce a firm to remain in the area rather than relocate to a stronger economy; and technical assistance to help a business upgrade its production processes to increase productivity, lower costs and retain workers.
3. Regional development: enhancement of the attributes of a geographic area to promote the commonly-held and understood assets of that region.

DRAFT

4. Business start-ups: new commercial or industrial enterprises, legal entities, partnerships, etc.
5. Expansion of existing businesses: the ability to hire more workers and to increase the demand for goods and services ultimately stimulating the economy (e.g., increase revenues, broaden the tax base).
6. Economic diversification: any activity within a defined geographical area that makes the area less dependent upon Department business.
7. Training: providing skills and classes necessary to prepare workers to maintain the skills required to continue in one's current position or alternative job.
8. Commercialization: the act of making assets (e.g., technologies, use of facilities or equipment) under Department control available for third party use or for use by the M&O contractor for non-Department business activities.
9. Facility reuse: the reuse of Department facility real estate and fixtures including buildings, land, and facilities that are not needed for the Department's traditional missions.
10. Leveraging: the ability of the CRO to commit non-Department resources as a match for Department funds requested. Leveraging should be indicated as a ratio of non-Department to Department resources, e.g., if a CRO requests a \$100,000 grant and commits \$50,000 in non-Department matching funds, the leveraging factor would be 1:2.
11. Matching funds: defined as non-Department resources committed to CRO programs. Matching funds may include the following:
 - a. *cash* - funds committed to projects to pay for various program activities, including personnel, equipment, materials, supplies, facilities, etc.
 - b. *in-kind* - contributions other than cash committed to program activities. In-kind contributions may include personal time, donated facility space, equipment loans or value of discounted services.

DRAFT

12. Personal property transfer: the transfer of Department-controlled equipment, supplies, and intellectual property to another entity--can involve transfer of title, licensing or leasing of the property.
13. Community relations: broad-based solicitation and encouragement of public awareness and participation in decision-making processes.
14. Administration, Outreach and Finance: business systems and processes incorporated to manage the development and implementation of the community transition program, including community involvement and fiscal responsibilities (e.g., contractual compliance, auditing, the raising and expending of monies, granting credit, and making investments).

VIII. REVIEWS

A. Financial Management Reviews

1. General

Generally, the Department field organizations should apply the requirements of Departmental financial assistance policies and procedures which are set forth in 10 CFR Part 600. Those sections of the CFR provide guidance in the various aspects of financial assistance management including general administrative requirements, reports and records, making changes in the grant scope, and auditing requirements.

2. Purpose

Careful monitoring of program implementation is necessary due to the level of public involvement in community transition activities. The Office is responsible for establishing appropriate standards to assure proper accounting for the use of community transition assistance funds.

3. Procedures

- a. Conduct financial management reviews of Department field organization community transition programs on an as needed basis. Specific areas of review are: financial reporting; accounting records; internal control; budget control; allowable cost; source documentation; cash management; and project accounting.

D R A F T

- b. The Office should track completed grants and close-out reports that address audit findings.

B. Program Reviews

The Office plans to conduct programmatic reviews of Department field organizations to assess accomplishments, determine progress and identify issues needing study. These reviews should be performed on a frequency and at locations as determined by the Office Director, and should be coordinated with the management of the Department field organization being reviewed. The Office should not review the CROs, except when accompanying a Department field organization during its review. It is the general goal of the Office to review each Department field organization that is implementing a community transition program at least once every year.

D R A F T

APPENDIX A

OFFICE OF WORKER AND COMMUNITY TRANSITION CONTACTS

Director: Bob DeGrasse 202-586-7550, FAX 586-8403

Deputy Directors:

Terry Freese 202-586-5907, FAX 586-8403

Deborah Swichkow 202-586-0876, FAX 586-8403

Special Assistants:

Tony Carter 202-586-3323, FAX 586-1540

Almira Kennedy 202-586-7783, FAX 586-8403

Derrick Watchman 202-586-0211, FAX 586-8403

Program Communications:

Pat Parizzi 202-586-7550, FAX 586-8403

Work Force Planning and Restructuring:

Terry Freese 202-586-5907, FAX 586-8403

Sam Ferraro 202-586-5057, FAX 586-1737

Sandy Stiffman 202-586-4107, FAX 586-1737

Labor Relations:

Lyle Brown 202-586-0431, FAX 586-1540

Deborah Sullivan 202-586-0452, FAX 586-1540

Community Transition:

Bob Baney 202-586-3751, FAX 586-1540

Mike Mescher 202-586-3924, FAX 586-1540

Asset Management:

Jack Blanchard 202-586-6703, FAX 586-1737

Robert Wilson 202-586-4718, FAX 586-1737

Public Participation:

Sheila Dillard 202-586-1311, FAX 586-1737

Clara Foster 202-586-5881, FAX 586-1737

Laurel Smith 202-586-4091, FAX 586-1540

D R A F T

APPENDIX B

COMMUNITY TRANSITION FIELD CONTACTS

Eileen Beaulieu, Albuquerque Operations Office	505-845-4984, FAX 845-4239
Gary Stegner, Fernald Environmental Management Site	513-648-3153, FAX 648-3073
Jacqie Gernant, Idaho National Engineering Laboratory	208-526-1742, FAX 526-8789
Linda Watkins, Miamisburg Area Office	513-865-4194, FAX 865-3843
Vicki Davis, Nevada Operations Office	702-295-2770, FAX 295-0154
Bob Hamilton, Oak Ridge Operations Office	423-576-7723, FAX 576-6363
Jimmie Hodges, Paducah Gaseous Diffusion Plant	502-441-6806, FAX 441-6801
Eileen Beaulieu, Pinellas Area Office	505-845-4984, FAX 845-5754
Mike Dabbert, Portsmouth Gaseous Diffusion Plant	614-897-5525, FAX 897-2982
Bob Stewart, Richland Operations Office	509-372-4009, FAX 372-4037
Jeremy Karpatkin, Rocky Flats Office	303-966-5993, FAX 966-6633
Ron Simpson, Savannah River Operations Office	803-725-3350, FAX 725-8573

D R A F T

APPENDIX C

COMMUNITY REUSE ORGANIZATION CONTACTS

FERNALD:

Curt Paddock, Fernald Community Reuse Organization

Phone: 513-527-3150

Fax: 513-527-3153

HANFORD:

Sean Stockard, Tri-City Industrial Development Council

Phone: 509-735-1000 x225

Fax: 509-735-6609

IDAHO:

Dan Cudaback, Eastern Idaho Economic Development Council

Phone: 208-522-2014

Fax: 208-522-3824

LOS ALAMOS:

David Provost, Regional Development Corporation

Phone: 505-820-1226

Fax: 505-992-0702

MOUND:

Mike Grauwelman, Miamisburg Mound Community Improvement Corporation

Phone: 937-865-3921

Fax: 937-865-4431

NEVADA:

Tim Carlson, Nevada Test Site Development Corporation

Phone: 702-257-7900

Fax: 702-257-7999

OAK RIDGE:

Lawrence Young, Community Reuse Organization of East Tennessee

Phone: 423-482-1336

Fax: 423-482-6126

D R A F T

PADUCAH:

Jennifer Beck Walker, Paducah Area Community Reuse Organization

Phone: 502-247-7171

Fax: 502-512-6110

PINELLAS:

Bill Castoro, Pinellas Plant Community Reuse Organization

Phone: 727-541-8080

Fax: 727-541-8585

PORTSMOUTH:

Greg Simonton, Southern Ohio Diversification Initiative

Phone: 740-289-3654

Fax: 740-289-4591

ROCKY FLATS:

David Abelson, Rocky Flats Local Coalition of Local Governments

Phone: 303-940-6090

Fax: 303-940-6088

SAVANNAH RIVER:

John Cunningham, Savannah River Regional Diversification Initiative

Phone: 803-593-9954

Fax: 803-593-4296

D R A F T

APPENDIX D

LISTING OF DEFENSE NUCLEAR FACILITIES

The list below reflects facilities receiving funding for Atomic Energy Defense activities of the Department of Energy, with the exception of activities under Naval Reactor Propulsion. It is recognized that these facilities have varying degrees of defense activities, ranging from a total defense dedication to a very small portion of their overall activity. This may cause certain difficulties in implementing the intent of the section 3161 legislation. Regardless, this listing will be used by the Office for possible application of funding received for defense worker assistance and community transition purposes.

Kansas City Plant

Pinellas Plant

Mound Facility

Fernald Environmental Management Project Site

Pantex Plant

Rocky Flats Environmental Technology Site, including the Oxnard Facility

Savannah River Site

Los Alamos National Laboratory

Sandia National Laboratory

Argonne National Laboratory

Brookhaven National Laboratory

Lawrence Livermore National Laboratory

Oak Ridge National Laboratory

Nevada Test Site

Y-12 Plant

K-25 Plant

Hanford Site

Idaho National Engineering Laboratory

Waste Isolation Pilot Project

Portsmouth Gaseous Diffusion Plant

Paducah Gaseous Diffusion Plant

APPENDIX E

QUARTERLY PROGRESS REPORT: (DATE)

Project Title: *(a name selected by the site for the specific activity or activities -- e.g.; incubator loan fund; entrepreneurial training. The site and the CRO will determine the best method for project definition, consistent with the way funds were requested and approved.)*

DOE Site Contact: *(name of DOE Field or Area Office point of contact)*

CRO Contact: *(name of CRO point of contact [if different from the project manager])*

Project Manager: *(name, address, and phone number of the primary applicant of the project under review)*

Project start date: *(date funding recipient is authorized to proceed by the field office)*

Expected completion date: *(date funding recipient is expected to complete the project)*

Description of project: *(a short narrative description of the project.)*

D R A F T

Funding History: (a record of the project funding. ***Committed*** means funds released to a field organization by the Office of Worker and Community Transition [The Office]; ***obligated*** means monies released to the CRO or other recipient by the field organization; and ***costed*** means expended by the CRO or other recipient.)

	Cumulative Amounts		
	Total DOE funds	WT 3161 funds	Non-3161 DOE funds
Committed			
Obligated by the field organization			
Costed by the recipient			
Unobligated by the field organization			

For the Office funding, identify the cumulative amount committed by the Office; the cumulative amount obligated by the field office; the amount unobligated; and the amount costed by the recipient. For leveraged funds, identify each source and the cumulative amount from that source.

Funding Source	Cash	In-kind

D R A F T

Accomplishments: *(project outcomes to-date: report on performance measures identified and jointly agreed to by DOE field and the CRO)*

Performance Measures				
Category	Scheduled date	Projected outcome	Actual date	Progress to-date (or to the end of the project)
<i>(e.g. create new businesses)</i>	<i>9/94</i>	<i>Start-up 2 businesses</i>	<i>12/94</i>	<i>3 new businesses</i>
<i>(e.g. create new jobs)</i>	<i>9/94</i>	<i>20 jobs</i>	<i>10/94</i>	<i>30 jobs</i>

Date (Joint signature) DOE Field Office

Date (Joint signature) CRO

D R A F T

APPENDIX F

Section 600.142 of 10 CFR Part 600 contains a requirement for recipients of financial assistance to maintain written standards of conduct governing the performance of employees engaged in the award and administration of contracts. Since organizations involved in economic development activities may engage in activities other than contracting, in which potential conflicts of interest may arise (e.g., providing loans to local businesses), the following provision should be included in all financial assistance awards to such entities:

The requirements of 10 CFR 600.142 should be applied to the activities of employees, agents and consultants of financial assistance recipients whenever these activities involve decisions about the award of DOE funds, regardless of the type of agreement or arrangement to be supported by DOE funds (e.g., lease, loan, contract, etc.).